

Genesis and Development of the European Communication on Sustainability in Local Governments

Benedetta Siboni*, Daniela Sangiorgi

Department of Management, University of Bologna, Italy

*benedetta.siboni@unibo.it

Abstract

During the last two decades, sustainability has become an emerging issue, both in literature and policies. As to literature, the focus has been on sustainability reporting for private organizations, while less attention has been given to public administrations. As regards policies, intergovernmental organizations, such as the UN, have embarked on a path towards sustainability that has developed through a series of international conferences resulting in commitments and recommendations addressed to governments as well as multinational and national corporations. To date, the European Union has advised national and local governments to undertake a sustainability focus through a series of communications, and a list of actions devoted to sustainability. With regards to corporations, four 'governmental roles' have been identified in order to support the adoption of social responsibility and sustainability behaviors: mandator, facilitator, partner, endorser. This paper aims to discuss the role played by the European Union in encouraging local governments to adopt sustainable policies. In doing so, the path followed at the international level is first analyzed in order to support sustainable development, and the content of the Communications is followed issued by the European Union in order to promote sustainable policies at the local level.

Keywords

Sustainability; European Union; Local Governments

Introduction

Since the seventies of the last century, the theme of sustainable development has become part of the agenda of the United Nations international conferences, occupying an increasingly important role and affecting mainly the issues related to human rights and environmental issues. In this path, a central role has been recognized to local governments which have been required to pursue sustainability policies and promoted sustainability among the actors operating in their territories.

The European Union (EU) meets the international commitments led by the United Nations on sustainable development, primarily including sustainability in its strategic objectives declared within the documents called Lisbon 2010 and Europe 2020. Secondly, the EU has promoted the dissemination of sustainability through the publication of numerous communications, aiming at encouraging the EU itself and the various levels of national government (central, regional and local) to adopt sustainable policies.

In literature, the theme of sustainability management has been considered mainly on the business side, while less attention has been paid to the public sector. Four governmental approaches have been identified by literature (T. Fox, 2002) to promote sustainable and socially responsible behavior on the part of organizations: Mandator, Facilitator, Partner, Endorser.

In this paper an analysis of the path undertaken by the EU to encourage the adoption of sustainability by local governments has been proposed in order to determine which of the four theoretical approaches identified has been followed and the possible reasons for the choice.

The article is structured as follows. Section 2 reviews the literature on sustainability with reference to public organizations, and outlines the approaches that governments can take to promote it. Section 3 describes the international agenda on sustainable development. Section 4 examines the contents of Communications issued by the EU with reference to sustainability. Section 5 discusses the findings of the analysis and gives some concluding remarks.

Literature Review

Since its emergence in the seventies, the literature on sustainability has experienced a tremendous growth (I. Thomson, 2007) showing particular strength in the last two decades (M.R. Mathews, 1997). However, studies

have focused mostly on managerial and accounting practices related to private companies (J. Bebbington, 2001; L. Parker, 2005), while a lack of research has been identified with regards to the public sector (A. Ball, 2007; A. Ball, 2008; J. Guthrie, 2010). In reaction to this phenomenon, some studies have been carried out during the last decade. These have focused primarily on sustainability accounting and reporting, giving local governments a role of direct agents of sustainability, by means of the regulation of the agglomerations where the large majority of European people live (A. Ball, 2002; A. Ball, 2004).

In addition, accounting for sustainability in the public sector has been linked to the fact that it provides "the basis of a structured information about what is contributive to the organization" (A. Ball, 2007), thereby stimulating the creation of more sustainable development practices - on one hand, and providing tools for the evaluation actions by the public community - on the other hand. Moreover, Ball and Bebbington (A. Ball, 2008) stated that public organizations can play a superior role in terms of performance and sustainability reporting compared to the private sector one's, because their actions are basically linked to logic related to sustainable development rather than to market. Furthermore, public organizations (hence including also local governments) already have a lot of socio-environmental information that they have to report according to the national laws.

A study issued by Lamprinidi and Kubo (S. Lamprinidi, 2008) showed that the sustainability reporting practices by public sector organizations varying significantly between countries are more widespread when they receive support from national governments. In some countries, it was noted that sustainability reporting has become widespread in the wake of a managerial fashion (M. Marcuccio, 2005) and is still at an early stage of development, characterized with gaps and variability, concentrating mainly on managerial aspects (J. Guthrie, 2008; F. Farneti, 2011; F. Farneti, 2011). However, it was observed (C. Larrinaga-González, 2008) that the completeness of information provided to stakeholders by public sector organizations increases, if all the channels and media used to communicate are taken into consideration.

The literature related to sustainable development planning in the public sector is still very scarce. Research published so far proposes a review of local government sustainable strategic plans (J. Brugmann, 1996), finding a general failure in the definition of

appropriate policies and action plans aimed at sustainable development in the experiences of Anglo-American local governments (D. Counsell, 1998; P. Jones, 1999; G. Bruff, 2000; D. Leuenberger, 2006). Similarly, two studies carried out with reference to Italy found a limited consideration of sustainability issues suggested by the EU under the 2007-2013 Italian Strategic Framework (L. Mazzara, 2010), as well as a low and stable inclusion of sustainability items in strategic plans published by local governments in 2008 (L. Mazzara, 2010).

A study published by Fox *et al.* (T. Fox, 2002) has identified four approaches that governments can take in order to promote sustainability and socially responsible behavior by private and public organizations: Mandator, Facilitator, Partner, Endorser. The first approach implies that governments decide on the minimum standards of behavior that organizations must comply with, by means of the law. For instance, governments define limits set for certain categories of emissions from industrial sectors. The second approach incentivizes organizations to adopt their own behaviors for the improvement of their existing social and environmental performance. The propulsive actions that can be implemented in this regard include, for example, funding of research, information campaigns and training on sustainability issues, the study and development of sustainability management tools (such as certification schemes and ethical labeling, benchmark and guidelines for management and reporting), the grant of tax incentives, and the provision of green and ethical criteria in public procurement. The third approach calls for governments to act together with the private and civil society, in order to combine the knowledge and skills held by each group to deal with complex social and environmental problems. In that case, the public sector can play the role of participant, promoter or organizer of partnerships, as well as mediator of the relationship between the private sector and the civil society. The fourth approach, finally, requires governments to provide political support to sustainability and to the socially responsible initiatives undertaken by organizations. Their support can take many forms, ranging from the publication of official documents that show the effects of management practices informed by sustainability, the public recognition of the efforts of companies and individuals engaged in involving sustainability, awards or honorable published to public, etc.

The four approaches listed not necessarily alternative, may be undertaken *jointly* or consecutively, and

involve different issues (T. Fox, 2002): minimum standards, business policies, practices of corporate governance, ethical investing, philanthropy and community development, stakeholder engagement, production and ethical consumption, ethical certification and business management systems, initiatives to promote managerial accountability and transparency, agreements, guidelines and multilateral processes.

The International Agenda on Sustainable Development

The genesis and evolution of the international engagement for sustainable development has been organized via seven steps (Figure 1), which led to the progressive definition of the “agenda for sustainability”, and then incorporated into EU policies. The first step of this path was made by the United Nations Conference on the Human Environment in Stockholm, held in 1972 in the course of which, for the first time, issues related to eco-development and environment management planning were discussed at a global level, in order to promote the protection and care of the environment for future generations (W.D. Sachs, 1993). The second phase of this process is the presentation, during the works of the World Commission on Environment and Development, in 1987, of the popular Brundtland Report. It contains the following definition of sustainable development, the most commonly used: *“development that meets the needs of the present without compromising the ability of future generations to meet their own needs”* (WCED, 1987). A third step was undertaken by the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992, during which the heads of state from more than one hundred countries committed to pursuing sustainability policies, through signing the Rio Declaration, the Conventions on Climate Change and Bio-Diversity, the Declaration on Forests and the Agenda 21. In particular, the Agenda 21 provided an international plan of action aimed at achieving sustainable development in the twenty-first century of which Chapter 28 addressed local governments by asking them to play the role of promoters of sustainability through education, mobilization and the establishment of shared plans to be implemented with the cooperation of the civil society and all local organizations.

Furthermore, the first European Conference on Sustainable Cities and Towns, held in Aalborg in 1994, witnessed the signing of the Charter of European cities

for a path of sustainable development, which has created a movement of organizations committed to implement the Agenda 21 at local levels, and promoted long-term action plans aimed at achieving sustainability.

Another milestone in the journey towards the affirmation of sustainability is represented by the Kyoto Protocol, signed in 1997 by countries that joined the United Nations Framework Convention on Climate Change in which the commitment of industrialized countries to reduce greenhouse gases emissions by at least 5% was ratified during the 2008-2012 period. Moreover, during the World Summit on Sustainable Development, organized by the United Nations in Johannesburg in 2002, starting from an assessment of the progress made towards the goal of sustainable development, a program for future implementation of the Agenda 21 was approved. During the Summit the three main pillars of sustainability were clearly stated, consisting on economic development, and social as well as environmental protection (J. Elkington, 1997). Finally, during the fourth European Sustainable Cities and Towns Conference in 2004, the charter of commitments called "Aalborg +10" was signed, which contains a series of objectives and actions for local governments to implement the goal of sustainability on their territories.

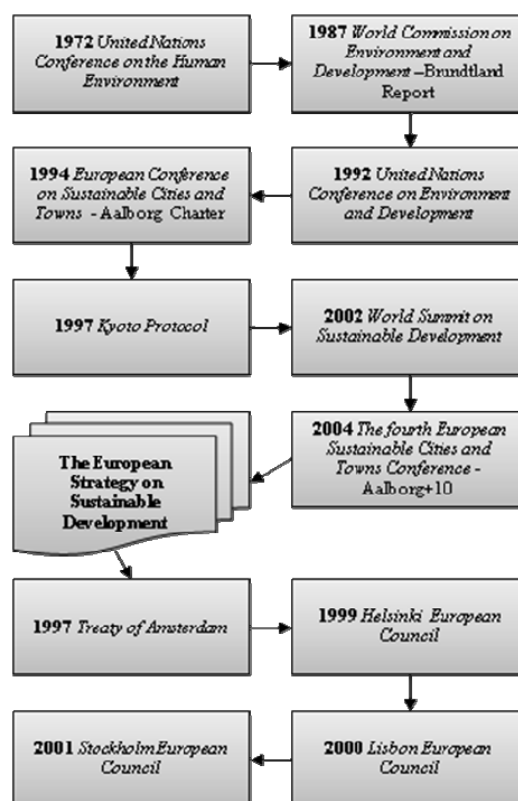


FIG. 1 GENEALOGY OF THE INTERNATIONAL AGENDA TOWARDS SUSTAINABILITY.

The European Commitment to Sustainability in Local Governments

The EU path towards meeting the international agenda on sustainability started in 1997 with the integration of the Treaty of the European Union including the achievement of sustainable development as a part of the EU objectives. Then, in 1999, during the Helsinki European Council, the EU Commission was required to prepare a long term strategy oriented to the achievement of economic, social and ecological sustainability, consistent with the objective of the Brundtland Report. In 2000, during the Lisbon European Council, the EU committed itself to complying with the Lisbon strategy, which is driven by the objective "to become the most competitive and knowledge-based economy in the world, capable of sustainable economic growth in parallel with the best working conditions and social cohesion" (European Council, 2000). This objective was completed in 2001 by the European Council in Stockholm, in which the Lisbon strategy was relaunched, and all the pillars of sustainability were clearly illustrated.

During this process, the European Council has defined a set of guidelines addressed to the European Commission to draft specific Communications aimed at promoting the adoption of sustainable policies at both the central level and member states level (Figure 2).

The first Communication is *A Sustainable Europe for a Better World: a European Union Strategy for Sustainable Development* - (Com(2001) 264 final), launched in 2001 during the Gothenburg European Council, and then presented under the label of the "European commitment toward Sustainable Development" during the Johannesburg World Summit in 2002. Based on the general framework defined by the European Council, the European Communication proposes a new approach to policymaking and a change in behavior of businesses and consumers, aimed at achieving the goal of sustainability. According to that approach environmental protection, social cohesion and economic growth must be fulfilled jointly.

In 2005, to keep the attention focused on the goal of sustainability, the EU began a process of revision of the Lisbon Strategy, which resulted in three major steps. Firstly, an initial assessment of progress toward sustainability was made (*The 2005 Review of the EU Sustainable Development Strategy: Initial Stocktaking and Future Orientations* – Com (2005) 37 final). Secondly, in 2005, during the Brussels European Council, the EU promoted sustainability as a key principle to be

fulfilled at all levels of European policies. Thirdly, the communication *On the Review of the Sustainable Development Strategy. A platform for action* - (Com(2005) 658 final) listed a series of actions aimed at supporting the further development of the EU strategy on sustainability.

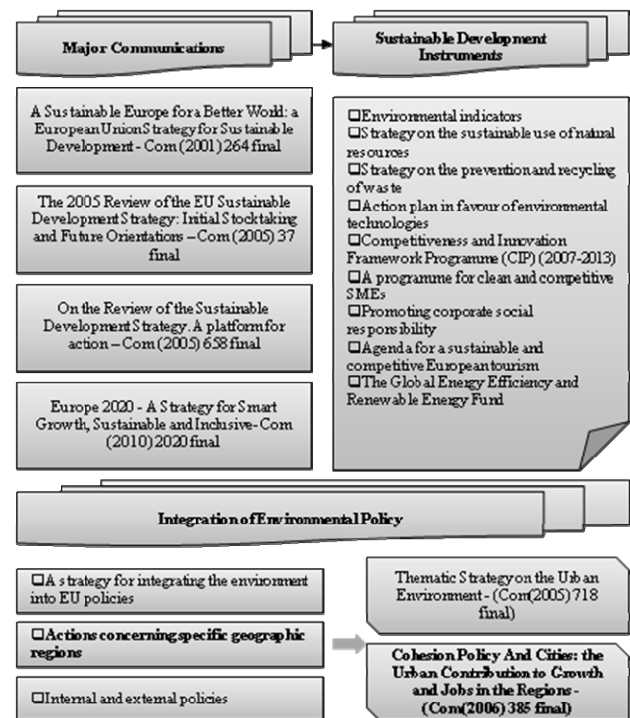


FIG. 2. SUSTAINABLE DEVELOPMENT IN EUROPEAN DOCUMENTS, TOOLS AND POLICIES.

Finally, in 2010, the EU Commission issued the communication *Europe 2020 - A Strategy for Smart Growth, Sustainable and Inclusive* - (Com(2010) 2020 final), which stated that "to achieve a sustainable future, we must already look beyond the short term" in order to "come out stronger from the crisis and turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion" (Commission of the European Community Com, 2010). In order to achieve this aim, the European Commission has set out ambitious targets in terms of employment rates, investments in research and development, relationship between climate and energy, education, and reduction of the risk of poverty.

Alongside these targets, the EU Commission has gradually established a set of tools and operational policies designed to support the spread of sustainability within the member states. The tools include: environmental indicators, strategies for the sustainable use of natural resources, strategies for the prevention and recycling of waste, an action plan for environmentally friendly technologies, a framework

program for innovation and competitiveness (2007-2013), a program for clean and competitive SMEs, the promotion of corporate social responsibility, an agenda for a sustainable and competitive European tourism and a global fund to promote energy efficiency and renewable energy. With regard to the policies the Commission published a series of documents that cover three main areas:

internal policies, ranging from issues related to sustainable agriculture, industry and environment, energy, government procurement, as well as aquaculture policies, and issues related to the economy and transport;

external policies, represented by the integration of the environment into external relations and sustainable development in the European cooperation policy;

actions related to particular geographical areas, to the Thematic Strategy on the Urban Environment, and to the organization and integrated management of coastal zones.

In particular, the action devoted to the Thematic Strategy on the Urban Environment set out a list of measures aimed at promoting cooperation between territories and establishment of guidelines to improve the urban environment. *Inter alia*, that Strategy has resulted in the issue of the Communication *On Thematic Strategy on the Urban Environment - (Com(2005) 718 final)*, that encourages local governments to implement an integrated approach to urban management, through the promotion of actions and long term plans, aimed at pursuing the goal of the Lisbon Strategy. Then, the communication *Cohesion Policy And Cities: the Urban Contribution to Growth and Jobs in the Regions - (Com (2006) 385 final)* was issued to link the Thematic Strategy on the Urban Environment to the Lisbon Strategy.

The *Com (2006) 385 final* identifies six policies which provide guidance to local governments to create a schedule that may prove aligned to the European strategy of sustainability and cohesion. The policies are as follows:

- Attractive cities – it suggests actions aimed at improving mobility, accessibility and better use of land transport infrastructure, as well as the access to efficient services. It also emphasizes the protection and preservation of the environment and the cultural sector.
- Supporting innovation, entrepreneurship and the

knowledge economy – it promotes the adoption of measures to support innovation, entrepreneurship and SMEs in the knowledge economy.

- More and better jobs – it invites the local governments to undertake actions aimed at improving the efficiency of public services at the local and regional level, to create new jobs and improve standards of training and education.
- Disparities within cities - it encourages actions aimed at achieving inclusion and equal employment opportunities, as well as at increasing the security of citizens.
- Governance – it proposes measures to establish cooperation and partnership between different territorial levels, as well as to develop an integrated approach to sustainability, and increase the awareness of participation and involvement of citizens.

urban renewal financing– it suggests to find alternative financial sources among those promoted at the EU level, and the ability of public-private partnership.

The policies listed above are then specified in twenty actions suggesting the specific issues to be included in local governments' policies, and further detailed in more than one hundred guidelines which propose specific projects to be undertaken. Policies, actions and guidelines are "recommendations" designed to provide operational guidance to local governments to develop public policies consistent with the achievement of sustainability and social cohesion. Therefore, they are not mandatory. Consequently, local governments can draw inspiration from the guidelines listed, and then decide which one is worth application according to their specific contexts.

Conclusion

The second half of last century has witnessed a growing commitment on sustainable development by the United Nations, through a number of Conferences and the signature of a series of Conventions and Charters of intent.

A similar level of attention has been paid to the literature. However, literature has focused mainly on sustainability reporting, while a lack of research has been highlighted with reference to sustainability planning. The Fox *et al.* (T. Fox, 2002)'s study identified four approaches that governments (national and

supranational) can undertake to promote sustainability and socially responsible behavior on the part of organizations. They refer to the adoption of laws and regulations that define behavioral requirements (Mandatory approach); to the facilitation and encouragement of behavior undertaken voluntarily by organizations (Facilitator approach); to the development of partnerships on sustainability, among public, private and civil society in support (Partner approach); and to the support of actions taken by organizations by means of awards and honorable mentions in speeches and public documents (Endorser approach).

Adhering to that pressures in the international arena, during the last decade the EU has significantly engaged in promoting sustainability through the enactment of several Communications and the promulgation of policies as well as instruments aimed at different levels of national and local governments to encourage them to adopt sustainable policies.

In particular, with reference to local governments, the EU Commission has identified a list of policies, actions and guidelines in which specific projects are proposed that local governments are encouraged to include in their plans, to provide sustainability. These indications listed by the *Com(2006) 385 final* refer to six policies: Attractive Cities, Supporting Innovation, Entrepreneurship and the Knowledge Economy, More Better Jobs, Disparities within Cities, Governance and Financing Urban Renewal. However, those indications represent only "recommendations", therefore each local government can choose those most appropriate to its specific contexts. The current paper concludes therefore that the EU has chosen a Facilitator approach to promote sustainability in local governments, rather than a Mandatory, or Partner or Endorser one.

A possible explanation for this choice can be related to the nature of the EU, a supranational organization, formed by states with different cultures, economies, histories, and policies, which is why, although the EU is keen on promoting common practices aimed at achievement of sustainability in local governments, one cannot ignore the diverse capabilities and national contexts. At this point it is up to national governments to lead the dissemination of sustainable practices within their own national contexts, and the actions should be taken that will bind legislation or facilitate or more generally support, or certify the local governments' commitment to sustainability.

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Benedetta Siboni, is Assistant Professor of Accounting at the Alma Mater Studiorum University of Bologna. She is a Member of the Editorial committee of *Meditari Accountancy Research* ISSN: 2049-372X, and of *Journal of Modern Accounting and Auditing* ISSN: 1548-6583, meanwhile she acts as a Referee for a number of Accounting Journals.

Her research interests concern mainly Sustainability Planning and Reporting and Intellectual Capital with specific focus on Public sector and Not for Profit Organisations. In relation to such topics, she has coordinated several applied research projects funded by Local governments and Public utilities. In addition, from March 2006 to June 2007, she was member of the Italian Group for Social Report established within the Department of Accounting in Local Governments – Italian Ministry of Interior). For more information please visit the home page: <http://unibo.academia.edu/BenedettaSiboni>.



Daniela Sangiorgi, is a Research Fellow of Accounting at the Alma Mater Studiorum University of Bologna. Her research interests concern mainly Strategic Planning and Sustainability Accounting with specific focus on Public Sector.

Daniela holds a PhD in Business Administration awarded by the University of Pisa (Italy) in 2011. For more information please visit the home page: <http://www.unibo.it/SitoWebDocente/DanielaSangiorgi>.